

INFORMATION REPORT

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SUBJECT: More Strict Control of Foods by
Chinese Communists

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1. After the middle of June the Chinese Communist Government in Kwangtung increased its control over foods, especially in the East River district. Only carefully registered food merchants were allowed to sell grains. Transactions were strictly supervised with regard to price and the legal status of both the buyer and the seller. No one, not even a merchant, can keep more than 700 catties of grain without registering with the government for supervision.
2. The announced reason for this control was to stabilize food prices until the new crop was ready for harvesting. In Kwangtung during the month of June the price of rice rose only about 10 to 15 per cent above the normal level.
3. An unannounced purpose of the food control was to starve out the guerrilla bands in the countryside. Landlords who wished to sell food illegally to the guerrillas found that it was dangerous to do so because of the many army cadres working on the land reform program.
4. There were frequent press reports that the guerrilla bands were suffering from food shortages. However, as the new crops came in, some guerrillas went to the fields at night, harvested the grain, and took it by force.

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